

Large Meeting  
(Six Months Ended September 30, 2025)  
Summary of Q&A  
(November 19, 2025)

Q Please tell us about the status and contents of discussions concerning the postal rates system.

A The advisory council of the Ministry of Internal Affairs and Communication (MIC) has been discussing the postal rates system since July last year. Japan Post has submitted a request that the rates-revision system allow us to adjust postal rates proactively and flexibly, and that it ensures predictability.

A report from the same council, which largely reflected our request, was released in July this year, and we understand that MIC is now working on drafting a bill. Although we are not aware of the schedule going forward, we expect that the relevant legal amendments to the rates system will be enacted.

Postal rates are currently set by ministerial ordinance; however, based on the council's report, we expect that, after the legal amendment, the process will shift to a system in which Japan Post applies for rate revisions and obtains government approval. As for the criteria used to calculate postal rates, the Director-General of the Postal Services Policy Department of MIC convened the "Study Group Meeting on Calculation Standards for Postage Rates and Related Matters" in September this year, and discussions are still ongoing.

Q If postal volumes decline as a result of a revision to postal rates, wouldn't additional rate revisions in the future still make it difficult to return the business to profitability? Is the postal business sustainable?

A Although postal volumes did decline following the rates revision in October last year, the impact—in other words, the price elasticity—was only a few percent. Meanwhile, the impact on revenue caused by the revision is estimated at roughly ¥100 billion for the second half of the previous fiscal year and about ¥200 billion for the full current fiscal year. Even factoring in the decline in postal volumes, the positive revenue effect outweighs the volume loss.

Nothing has been decided at this stage regarding future rate revisions, but once the legal amendments to the postal rates system are enacted, we will consider our specific response.

Q To raise ROE, the Group must improve the performance of Japan Post Bank and Japan Post Insurance, which account for a large share of the Group's income and balance sheet. How do you view this structural challenge, and how do you intend to overcome it?

A It is true that Japan Post Bank and Japan Post Insurance carry significant weight in terms of improving ROE. However, it is first essential to build a structure that increases profits by growing the real estate business and revitalizing the postal and logistics business. In addition, Japan Post

Bank and Japan Post Insurance do not operate in isolation—post offices play a key role in gathering funds for investment, such as deposits. Going forward, we aim to raise profits across the Group through collaboration among all Group companies and by leveraging such mechanisms as the Group-wide customer-management platform for cross-sales, which is currently under development, so that we can provide greater added value.

Q Regarding efforts to improve ROE, how do you view the need to restrain or control capital, including the capital of Japan Post Bank and Japan Post Insurance? In addition, if Japan Post Bank and Japan Post Insurance do not achieve ROE levels that exceed the target for the Japan Post Group as a whole, wouldn't it be difficult for the Group to reach its overall target?

A Given the favorable interest-rate environment, Japan Post Bank and Japan Post Insurance, like other banks, are trending toward higher profits. As such, in general terms, we expect that they are also aiming for ROE levels above the Group's overall target. In any case, our commitment to working together as a Group to improve ROE remains unchanged. We will consider specific numerical targets going forward.

Q As you move to transform the real estate business into a comprehensive developer, how do you plan to strengthen the functions that are currently lacking? Do you expect to pursue M&As, or do you believe that the existing structure can handle this?

A We have several options for strengthening the capabilities of the real estate business, and M&As are one important option. However, they are not a prerequisite, and we also intend to use other approaches, such as hiring experienced professionals, depending on the situation, combining these options as needed to build the necessary functions.

Q Regarding the plan to convert real estate for business use into real estate for development use alongside the review of the postal network, at what pace and scale do you expect?

A Even for projects that are already planned, some real estate developments can take five to ten years to complete, and the recent surge in material costs has further extended development timelines. Therefore, it is difficult to make significant changes over a three- or five-year period. With this in mind, during the period covered by the next medium-term management plan, we aim to steadily generate profits from real estate currently under development while also advancing development plans looking more than five years ahead.

The real estate business cannot generate profits without long-term efforts. Taking into account that even assets currently used in the postal and logistics business need to be considered now in order to contribute to future profits, we have presented our policy at this time.

Q Please tell us about the lifestyle support platform in detail. Does it consist of the provision of public services? In addition, what is the outlook on income and the significance of this business

within the Group? Also, what is your approach to capital investment and M&As in relation to this business?

A Regarding the lifestyle support platform, in addition to the services currently provided at approximately 5,000 post offices under contracts with local governments, we are also considering services such as online medical consultations and shopping support. However, these types of business require support from local governments and collaboration, so their public-service aspect is significant.

In terms of its significance, the lifestyle support platform is not a business that will generate hundreds of billions of yen in profit overall, but given the number of post offices, it can still generate a meaningful income. From the perspective of maintaining the postal network, it can help offset losses at post offices in depopulated areas in particular. While it has a public-service aspect, it is also meaningful from an income standpoint.

As for M&As and capital investment, we are not ruling them out, but given the nature of the business, they are not the primary focus.

Q What is President Negishi's perspective on the equity story? In previous medium-term management plans, shareholder returns played a major role; what will be emphasized in the next medium-term management plan?

A In the next medium-term management plan, we still consider shareholder returns to be important. However, unlike previous plans, the focus will first be on the postal and logistics business. In light of environmental changes, including population decline, we aim to create added value and generate income not only through conventional last-mile delivery but also by transforming into a comprehensive logistics company, for example, through the MBO with Tonami Holdings and a capital alliance with LOGISTEED Holdings. We plan to further refine and present these initiatives. Regarding the real estate business, we are continuing discussions on realizing latent earnings, and we intend to indicate that the next step for our real estate initiatives will soon commence.

Q Please describe the background and reasoning behind the shift from focusing primarily on a stock-based business to strengthening the flow-based business in the real estate business.

A Building on past developments that have enabled more stable income, we now aim to accelerate the flow-based business as the next step. We have recognized that relying solely on available funds and our existing assets would not increase development speed, and that available funds alone could eventually be depleted. Therefore, we have determined that it is time to expand the business by reinvesting funds generated from the flow-based business into new development projects.

This document is a summary of Q&A session for this conference and includes certain revisions and corrections to help readers better understand the points in the dialogue.

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